**Hundred Days Programme**

3810. SHRI SABIR ALI:
SHRI MOHAMMED ADEEB:

Will the Minister of STEEL be pleased to state:

(a) what is the 100 Days Programme

(b) what other programmes will be taken up after 100 days period; and

(c) the steps being taken to ensure full utilisation of current year's Budget?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) A copy of the Programme is annexed as Statement (*See* below).

(b) The Ministry of Steel performs an on-going role for facilitating the development of the Indian steel industry. The Ministry is also responsible for nurturing the various public sector undertakings functioning under its ambit. The Ministry would consequently adopt and implement various policies and programmes from time to time in pursuit of its mandate, even after the 100-day period.

(c) The progress of utilization of the budget provisions in respect of both the Ministry and its Public Sector Undertakings is periodically reviewed by the Ministry from time to time.

***Statement***

*Details of the agenda for hundred days' programme of the Ministry*

**Accelerated Investment in Steel Sector Projects**

One of our first priorities is to accelerate the pace of steel capacity addition projects in the country, both in the Public and Private sectors. We will make all endeavours to see that the 124 million tonne steel capacity, projected by the year 2011-12, is realized by way of policy facilitation and vigorous coordination efforts with the concerned State Governments and the Central Ministries. A key priority in the current year will be to expedite greenfield and brownfield capacity expansion, already in various stages of progress.

During the current year the three Public Sector Units: SAIL, RINL and NMDC have planned to invest nearly Rs.13,000 crore in their ongoing capex and modernisation projects. **We intend to put in place a proactive mechanism for ensuring time bound progress for all these PSU projects. It will be our endeavour to ensure that all PSU steel projects are completed as per their targeted plans, without delays.**

**A concerted effort will similarly be made for facilitating the completion of all major Private sector steel projects, so that these capacities are commissioned, as targeted.**

**Integrated Steel Plant (ISP) of NMDC at Nagarnar, Chhattisgarh**

NMDC has already decided in-principle to set up a 3 **million tonne per annum (MTPA)** Integrated Steel Plant at Nagarnar in Chhattisgarh with a capital investment of **Rs. 16,000 crore.**

995 Acres of land is already in possession of NMDC for this plant. The matter of acquisition of additional land for this project is being taken up. We will endeavour to obtain environment clearance as well as allotment of water for the project within the next 100 days. Short listing of technology providers and finalization of appropriate technology specifications for ISP will also be completed during the next 100 days, **which will enable start of work for this plant within this financial year.**

**Restructuring the smaller PSUs of the Steel Ministry**

There is a critical need to review the structure, functioning and objectives of some of the smaller PSUs of the Ministry with a view to maximising efficiency, synergies and the benefits of scale. A Committee set up by the Ministry has already begun a detailed study of MSTC Ltd., KIOCL Ltd., Ferro Scrap Nigam Ltd. (FSNL) and Hindustan Steelworks Construction Ltd. (HSCL) with a view to undertake restructuring/mergers, as warranted.

**The Committee will submit its recommendations to the Ministry within the next 50 days. The Ministry proposes to finalise its strategy for restructuring these companies within the next 100 days.**

**Reopening of Panna Diamond Mine**

Panna Diamond Mine of NMDC, a Navratna PSU of Ministry of Steel, is located at Village Majhgawan, District Panna, Madhya Pradesh. This mine was commissioned in 1968-69 with an initial capacity of 12,500 carats per annum, which was expanded to 1 lakh carats per annum in 2001-02. This mine has a special importance as it is the first mechanized diamond mine in Asia. The project was providing direct employment for about 250 people. This mine has been lying closed since August, 2005 due to problems relating to environment clearance and permission from Wild Life Sanctuary, as the mine falls in the Gangau Wildlife Sanctuary. As a result of persistent efforts, the directions of Hon'ble Supreme Court have been obtained recently, paving the way for reopening of these mines. Hon'ble Supreme Court has imposed certain conditions, including payment of an amount of Rs. 10.69 crore to Madhya Pradesh Government as Net Present Value (NPV) for reopening this mine, which are being complied with at the earliest. **We will endeavour to reopen this mine within the next three months. This will not only result in additional revenue for NMDC, but will also provide direct as well indirect employment to a number of people around the project site.**

**Merger of Sponge Iron India Limited with NMDC Limited**

Sponge Iron India Limited (SIIL), a PSU of this Ministry, was established in 1975. SIIL has its sponge iron plant in Paloncha in Khammam District of Andhra Pradesh with a production capacity of 60,000 tonne sponge iron per annum. The company has not been able to show optimum performance for a number of years due to operational and financial constraints. Ministry of Steel has therefore initiated the process for merging this unit with NMDC, a Navratna PSU of this Ministry, for ensuring improved synergy and growth for both the companies. **The**

**merger process will be completed within next three months. NMDC has planned capital investment of more than Rs. 1000 crore for the capacity expansion of sponge iron production of this unit to 2.6 lakh tonne per annum and also for forward integration into manufacturing steel (long products) with a capacity of 0.3 million tonne per annum (MTPA) at the plant of SIIL at Paloncha after merger.**

**Merger of Bharat Refractories Limited (BRL) with SAIL**

BRL produces assorted type of refractories used primarily in iron and steel making. BRL has its corporate headquarters at Bokaro Steel City in Jharkhand. It has four plants:

(i) Bhandaridah Refractories Plant (BHRP), Bhandaridah, Jharkhand

(ii) Ranchi Road Refractories Plant (RRRP), Marar, Jharkhand

(iii) Bhilai Refractories Plant (BRP), Maroda, Bhilai, Chhattisgarh

(iv) IFICO Refractories Plant (IFICO RP), Marar, Jharkhand

**The Government has already decided that BRL will merge with SAIL. Efforts will be made to complete the merger procedure and to issue the final orders for merger so that the *de facto* and *de jure* merger of BRL with SAIL is effected within 100 days. After the merger an investment of Rs. 77.13 crore is proposed to be made by SAIL for modernising the production facilities in the BRL units.**

**Merger of Maharashtra Elektrosmelt (MEL) with SAIL**

Maharashtra Elektrosmelt Limited located at Chandarpur in Maharashtra is the largest producer of Manganese based Ferro Alloys in the country and has been engaged in the business of Ferro Alloys since April, 1947. It was taken over by Steel Authority of India Limited in 1986 as a subsidiary, with SAIL holding 99.12% of shares.

**The process of merger of MEL with SAIL is being completed. Efforts will be made to ensure that all the approvals are obtained in the next three months and the merger process completed by the end of the financial year 2009-10. After the merger, a capital investment of Rs. 250 crore is proposed to be made to enhance the capacity of the plant.**

**Conferment of Navratna status to Rashtriya Ispat Nigam Limited**

Rashtriya Ispat Nigam Limited (RINL), a Miniratna company, is one of the most modern integrated steel plants in India with an annual production capacity of 3 million tonne per annum. An expansion plan is underway to double the capacity to 6.3 MTPA by 2010-11. It may be recalled that during 1990s, RINL had made accumulated losses and was reported to BIFR as a sick company in the Year 2000. However, the company has managed to turn around since and has been consistently making profits since 2002-03. RINL has also attained techno-economic production parameters that are among the best in the country. A proposal to declare RINL as a

Navratna company is under consideration of the Government which will give it greater autonomy in making investment and commercial decisions. **We would endeavour to see that Navranta status is conferred to RINL within 100 days.**

**Allocation of Chiria mines to SAIL**

Out of the ten mining leases of SAIL in the Chiria-Gua belt of Jharkhand, six are under deemed extension and the balance are under dispute. Recently the Govt. of Jharkhand has finally responded positively to a long standing request of this Ministry and has issued orders for accepting the change in the ownership of the Chiria leases from IISCO to SAIL.

**Further concerted efforts will be made in the next 100 days for ensuring that the requisite formalities are completed for settling all the pending issues in favour of SAIL.**

**Allotment of Sansangda Iron Ore Mine to NMDC**

Government of Jharkhand has recommended to Ministry of Mines, Government of India for grant of mining lease for Sansangda NE Iron Ore Block with iron ore reserve of about 45 million tonne over an area of 115.46 Hectare in West Singhbhum District, Jharkhand to a Joint Venture Company of NMDC Limited and Jharkhand State Mineral Development Corporation (JSMDC) in June 2008. **We will take up the matter with the Ministry of Mines for expediting prior approval of Ministry of Mines for allotment of this Iron Ore Mine to JV Company of NMDC Limited.**

**Forestry Clearance for the Rowghat mines in Chhattisgarh**

Development of the Rowghat mines in the State of Chhattisgarh is critical for meeting the expanded iron ore requirement of the Bhilai Steel Plant. The Government of India has granted in-principle approval for diversion of forest land for the Rowghat leases in Nov '08. SAIL has deposited about Rs.418 crore on account of the net present value of forest land and for compensatory afforestation. The proposal for final forestry clearance is likely to be recommended by the State Government shortly for the approval of Government of India.

**We will endeavour to get the final forestry clearance from the Ministry of Environment and Forests, Government of India in the next 100 days, which will pave the way for the work to commence on developing the Rowghat mines.**

**Restructurig of Hindustan Steelworks Construction Company Ltd. (HSCL)**

HSCL, a Kolkata based company, was established in 1964. HSCL is engaged in the construction of integrated steel plants and other infrastructure development activities. The company has accumulated losses to the tune of Rs. 1379 crore due to heavy interest burden and excessive manpower in the past. However, the company has shown operational profits for the last several years. A revival/restructuring package is being evolved by the Government aiming at expediting the process of modernization of Steel Plants and infrastructure projects by HSCL.

HSCL would be in a position to take up fresh infrastructure projects and earn profit after the implementation of the revival package. The Ministry will endeavour to seek approval of the Government for restructuring of HSCL within next three months.

**Restructuring of the Bird Group of Companies**

A proposal for restructuring the Government owned companies collectively called the Bird Group of Companies (BGC) for ensuring their revival is under active consideration of the Ministry. Rashtriya Ispat Nigam Limited (RINL) has been identified as the strategic partner for acquiring controlling stakes in the Bird Group. The organizational structure proposed is for Orissa Mineral Development Corporation (OMDC) and Bisra Stone Lime Company (BSLC) and Eastern Investments Limited (EIL) to be subsidiaries of RINL, which would be the holding company. This arrangement would be beneficial to both the companies as it is expected that while RINL would have greater access to raw material, the Bird Group of Companies would benefit from the infusion of funds by RINL for mechanization and development of mines besides benefiting from the managerial and technical expertise available in RINL. **Efforts will be made to procure approval of Government within 3 months for restructuring of Bird Group of Companies.**

**Commencement of work of Steel Melting Shop – SAIL's Bhilai Steel Plant**

The SMS Complex of 4.0 million tonne (MT) per annum capacity, with latest state of the art technology and modern quality control systems, has been envisaged in the modernisation and expansion plan of Bhilai Steel Plant (BSP). The new Steel Melting Shop Complex comprises of the following main packages:

(a) Basic Oxygen Furnace (BOF) Shop Complex with 3 convertors of 160 tonne capacity each and annual capacity of 4.11 million tonne.

(b) Continuous casting plant with 4 casters of total annual capacity of 4.0 million tonne.

Orders for both the packages have been placed and the total estimated cost of the entire Steel Melting Shop Complex is expected to be around Rs. 3,500 crore. The major benefits of the projects are that BSP shall be producing 4.0 million tonne of clean steel of superior quality with an environment friendly and energy efficient technology.

**The work on executing this major project would commence within the next three months.**

**Strategic Partnership between Neelachal Ispat Nigam Limited (NINL) and RINL**

The proposal for induction of a strategic partner for Neelachal Ispat Nigam Limited (NINL) a PSU under Department of Commerce has been under consideration. Ministry of Steel has

proposed for Rashtriya Ispat Nigam Limited (RINL) to be the holding company of NINL. This move would impart synergy to both the companies as it would satisfy RINL's basic requirement of raw material from the mines owned by NINL and simultaneously allow investment by RINL in NINL's future modernization and expansion plans. **The Ministry of Steel has already taken the matter up with Ministry of Commerce and would endeavour to have a consensual decision on the matter and seek clearances from concerned authorities for the proposed partnership.**

**Joint Venture of SAIL with the Shipping Corporation of India (SCI)**

SAIL and SCI have joined hands to sign an MOU to form a joint venture company which will essentially take care of SAIL's shipping needs. This is a step towards backward integration as SAIL is dependent on imported coking coal. Around 10 million tonne of coking coal is being imported at the moment which with expansion of SAIL will continue to increase. SCI, which is the biggest shipping company in India, has the expertise to complement SAIL's requirements in this field.

**We will endeavour to set up this Joint Venture Company in the next 100 days.**

**Joint venture of MOIL and SAIL for setting up Ferro Alloy Plant**

MOIL as a part of its diversification and expansion plans has decided to set up a Ferro Alloy plant comprising of 1x16.5 MVA capacity furnace for production of high carbon Ferro Manganese and 2x27.0 MVA capacity furnace for production of Silico Manganese at village Nandini, Bhilai (Chhattisgarh). This project envisages a total investment of Rs. 400 crore under the joint venture participation with Steel Authority of India Ltd. (SAIL) on an equal partnership basis. MOIL and SAIL have formed a Joint Venture company namely "SAIL MOIL Ferro Alloys Pvt. Ltd." which has been incorporated on 31st July 2008. **Work on setting up this plant is expected to commence within 100 days.**

**Joint venture of MOIL and RINL for setting up Ferro Alloy Plant**

Considering the enhanced demand of Ferro Alloys, MOIL has purchased 100 acres land in Growth Centre, Bobilli, Andhra Pradesh for setting up of a Ferro Alloys plant and also to utilize the same as a stockyard for importing Manganese Ore by creating blending facilities incorporating crushing, screening, sintering process/project. MOIL has signed a Joint Venture Agreement with RINL for setting up of the Ferro alloys plant. **We will endeavour to have the JV company with partnership of RINL and MOIL incorporated within 100 days.**

**Wiping out accumulated losses in MECON by September 2009**

MECON Limited is an engineering, consultancy and contracting PSU under the Ministry of Steel. As a consequence of economic downturn during the period between 2001-02 to 2003-04, the company had suffered an accumulated loss of Rs. 210.04 crore until 2003-04. Government of India had approved a Restructuring and Revival Plan for MECON in February 2007, at a total

for MECON in February 2007, at a total cost of Rs. 100.72 crore. At that point of time, the networth of the company was negative at (-) Rs. 132.30 crore and it had an accumulated loss of Rs. 162.81 crore.

The Company has since performed very well during the financial years 2007-08 and 2008-09. As on 31.03.2009, the networth of MECON has turned positive at Rs. (+) 34.85 crore. However the company still has an accumulated loss of Rs. 68.13 crore in its books.

**We will take all efforts now to see that the entire accumulated loss of MECON is wiped out by September 2009.**

**Strategic partnership between KIOCL and NMDC Ltd.**

KIOCL, a Mini Ratna PSU, is facing problems in the operations of its Pellet Plant and Blast Furnace due to closure of mining operations since 2006 and also due to the global downturn. It is proposed that NMDC, a Nav Ratna Company under the Ministry, will acquire majority stakes in KIOCL and KIOCL will acquire the stake in NMDC. There is a perfect synergy between NMDC and KIOCL as both are mining companies. The partnership acquisition will ensure continuous supply of iron ore to KIOCL from NMDC. In addition, NMDC will have the benefit of the experience of KIOCL in operating the pellet plant and mining.

**We will endeavour to seek approval of the Government for giving final shape to this strategic alliance within this period.**

———————

[MR. DEPUTY CHAIRMAN in the Chair]

STATEMENT BY MINISTER CORRECTING ANSWER TO QUESTION

**ग्रामीण विकास मंत्रालय में राज्य मंत्री (श्री प्रदीप जैन)** : महोदय, मैं 'भारत निर्माण योजना' के संबंध में 14 जुलाई, 2009 को राज्य सभा में दिए गए अतारांकित प्रश्न संख्या 1157 के उत्तर के संशोधनार्थ एक विवरण (अंग्रेजी तथा हिन्दी में) सभा पटल पर रखता हूं।

———————

PAPERS LAID ON THE TABLE

**Report (2007-08) of the Prasar Bharati (Broadcasting Corporation of India), New Delhi and related papers**

THE MINISTER OF INFORMATION AND BROADCASTING (SHRIMATI AMBIKA SONI): Sir, I beg to lay on the Table

(1) A copy each (in English and Hindi) of the following papers under sub-section (1) of Section 31 of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990:-

(a) Annual Report of the Prasar Bharati (Broadcasting Corporation of India), New Delhi, for the year 2007-08.